

NO. 21,194

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

CARL S. ZILK and FLOMATIC SALES)
CORPORATION, an Oregon corporation,)
)
Appellants,)
)
v.)
)
DEATON FOUNTAIN SERVICE, a partner-)
ship comprised of William F. Deaton)
and C. J. DeCeasare,)
)
Appellee.)

APPELLEE'S BRIEF

JAS. M. NAYLOR, Esquire
KARL A. LIMBACH, Esquire
1650 Russ Building
San Francisco, California 94104
Telephone (415) 362-7543

Attorneys for Appellee

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APPELLEE'S BRIEF

This is an appeal from an order of the District Court granting the motion of Defendant Deaton* for Judgment Notwithstanding the Verdict.

*For convenient reference throughout this brief, the parties hereto will be referred to as "Appellants" or "ZILK" and "Appellee" or "DEATON".

Jurisdiction of the District Court was based upon 28 USC §1338(a). The Complaint alleged a claim for patent infringement arising under the acts of Congress relating to patents (CT. 1) and the Answer admitted the jurisdictional facts (CT. 31, 118).

Jurisdiction of this Court is based on 28 USC §1291.

STATEMENT OF THE CASE

The District Court granted Appellee's motion for Judgment Notwithstanding the Verdict on two separate and distinct grounds: (1) That no reasonable jury could have concluded that the Zilk invention was non-obvious under 35 USC §103, and (2) The Zilk invention fails to meet the general level of innovation necessary to sustain patentability.

On the issue of unobviousness under §103 of the Statute, the Court said:

"The Court therefore concludes that despite the fact that a small amount of objective evidence of non-obviousness was tendered, Cf. Griffith Rubber Mills v. Hoffar, supra, (and taking fully into account the factors of secondary consideration such as unsatisfied need and commercial success), the jury was unreasonable in finding that the Zilk patent was non-obvious. As a result the Zilk patent is invalid as a matter of law

statutory mandates established by 35

USC §103." (CT. 265)

On the issue of general level of innovation, the

Court said:

"Entirely separate from the Section 103 issue, the Zilk concept does not meet the A & P Tea Co. standard of invention. The evidence in this case failed completely to show that by the arrangement of old elements, plaintiff obtained any "unusual or surprising consequences" from his combination as called for in the A & P Tea Co. decision. (Reaffirmed in Graham v. John Deere, supra.) All that Zilk achieved was a more convenient location for the switch buttons permitting a one handed operation, which was possible with a single fluid in the "Wheco" device. It has long since been the law that mere relocation of an element of an old combination does not amount to patentable invention. Photochart, et al v. Photo Patrol, et al, 189 F.2d 265. Weyerhaeuser Timber Co. v. Royal Container Co., 128 USPQ 70,71.

This maxim holds true regardless of how useful or convenient the relocation is. Cuno Corp. v. Automatic Devices Corp., 314 U.S.

long line of judicial precedents that it may properly be resolved as a matter of law by the Court.11/" (CT. 265,266)

The §103 issue had been submitted to the jury, but the A & P test had not been submitted to the jury as the Court indicated in Footnote 11, "The A & P Tea Co. test was not submitted to the jury in the instructions as the standard for invention because of the confusion over the possible preemption by Section 103, preceding the Graham decision." (CT. 266).

Appellee's Motion for Judgment n.o.v. was accompanied by a Motion for New Trial. (CT. 186 & 187) While the Court granted the former Motion, it did not pass upon the latter Motion. By Stipulation (RT. 342-3) Appellee's defenses of patent misuse were to be submitted to the Court without the jury after determination of the Motion for Judgment n.o.v. (RT. 350-1). The trial Court has not passed on these defenses.

QUESTION PRESENTED

We do not concur in Appellants' statement of the question presented on this appeal, at page 10 of their Brief. The question is not whether the District Court denied to Appellants their asserted right of trial by jury, but whether the Court had the power and the duty to grant the Motion for Judgment n.o.v. when its examination of the case led it to the inescapable conclusion that the Letters Patent in suit were invalid as a matter of law. As indicated by the two grounds mentioned in the preceding section of this Brief, the question is

avorable to the Appellant, could reasonable men conclude that the Zilk invention was unobvious? (2) Does the Zilk invention rise to the standard of invention set forth in A & P Tea Co. v. Supermarket, 340 U.S. 147, 87 USPQ 303 (1950), and Graham v. John Deere, 383 U.S. 1, 148 USPQ 459 (1966)?

The appeal presents also a subordinate issue which is the automatic consequence of F.R.C.P. Rule 50(c). The District Court, having granted Appellee's Motion for Judgment notwithstanding the Verdict, failed to rule on Appellee's alternative Motion for a New Trial and, insofar as the failure to rule may be taken as a denial thereof, Appellee asserts error in that denial.

SPECIFICATION OF ERROR

Appellee asserts as error that its Motion for New Trial should have been granted in view of F.R.C.P. Rule 50(c)(1) which provides in pertinent part: "If the Motion for Judgment Notwithstanding the Verdict, provided for in subdivision (b) of this Rule, is granted, the Court shall also rule on the Motion for a New Trial, if any, by determining whether it should be granted if the Judgment is thereafter vacated or reversed, and shall specify the grounds for granting or denying the Motion for New Trial. . . .In case the Motion for a New Trial has been conditionally denied, the Appellee on appeal may assert error in that denial; . . ."

The Propriety of Judgment n.o.v.

The main argument set forth in Appellants' Brief is the age-old proposition that the District Court denied to Appellants their right of trial by jury. In an erroneous interpretation of the law Appellants argue that the District Court "usurped the function of the jury to find anew the ultimate fact of obviousness". It is asserted that this violated the Seventh Amendment to the Constitution.

The fallacy of this argument is made apparent by an examination of the holdings of the United States Supreme Court in Graham v. John Deere Co., supra. It was there held (148 USPQ at 467) that "the ultimate question of patent validity is one of law". This being so, it follows, as the night follows the day, that a jury verdict finding a patent valid cannot be deemed so sacrosanct as to preclude the trial court from an examination of such verdict to determine whether the patent is valid or invalid as a matter of law.

If this proposition ever admitted of any doubt, it was laid to rest by the decision of this Court in Bentley v. Sunset House Distributing Corp., 359 F.2d 140, 149 USPQ 152 (9th Cir., 1966). That decision followed closely on the heels of the Supreme Court's decision in GRAHAM, and the Court made the following observations which must be taken as a complete answer to Appellants' argument about the propriety of the granting of a judgment notwithstanding the verdict in a patent case:



Bentley asserts that the district court's grant of judgment n.o.v. effectively deprives him of the jury trial to which the Constitution entitles him.

The appropriate accommodation of the constitutional guarantee of jury trial and the necessity of ensuring that the constitutional and statutory standards of patentability are met in particular cases has been a subject of much debate and exploration in the cases. But we think that debate was foreclosed by *Graham v. John Deere Co.*, 34 U.S. L. Week 4119, 148 USPQ 459, decided February 21, 1966. There it was held that 'the ultimate question of patent validity is one of law.' This, in substance, has long been the position of this court, as Judge Pope noted in his concurring opinion in *Bergman v. Aluminum Lock Shingle Corp.*, 9 Cir., 1957, 251 F.2d 801, 809-13, 116 USPQ 32, 38-41. See e.g., *Griffith Rubber Mills v. Hoffar*, 9 Cir., 1963, 313 F.2d 1, 136 USPQ 334. It is the position adopted by other circuits, see e.g., *Hygenic Specialties Co. v. H.G. Salzman, Inc.*, 2 Cir., 1962, 302 F.2d 614, 617, n.6, 133 USPQ 96, 99; *Packwood v. Briggs & Stratton Corp.*, 3 Cir., 1952, 195 F.2d 971, 973, 93 USPQ 274, 275; *Monroe Auto Equip. Co. v. Heckethorne*

406, 412, 141 USPQ 549, 554-555. If the patents are invalid as a matter of law, the court not only had the power, but it was its duty, to grant the motion for judgment n.o.v. Himes v. Chadwick, 9 Cir., 1952, 199 F.2d 100, 95 USPQ 59; Packwood v. Briggs & Stratton, supra; see Griffith Rubber Mills v. Hoffar, supra; Berkeley Pump Co. v. Jacuzzi Bros., Inc., 9 Cir., 1954, 214 F.2d 785, 102 USPQ 100." (149 USPQ at 154)

It is noteworthy that in BENTLEY there were some parallels to the case at bar which are deadly. There, as here, the case involved a claim of patent infringement under 35 USC §281. There, as here, the jury returned a verdict for the patentee and assessed damages. There, as here, the Court granted defendant's Motion for Judgment Notwithstanding the Verdict. The only procedural difference between the cases was that in BENTLEY the district judge also granted, conditionally, the defendant's Motion for a New Trial, whereas here the District Court did not pass on the Motion for a New Trial.

As indicated by the Supreme Court in GRAHAM, supra, the question of patentability, while a question of law, involves certain factual inquiries. The existence of factual matters does not, however, place the ultimate decision in the hands of the jury. The factual matters do not require resolution by the jury where the facts are not

in dispute, and where it is unnecessary to weigh the credibility of witnesses. As the Court said in the landmark case of Brady v. Southern Railroad, 320 U.S. 476, 479-480 (1943)

"When the evidence is such that without weighing the credibility of the witnesses there can be but one reasonable conclusion as to the verdict, the court should determine the proceeding by non-suit, directed verdict or otherwise in accordance with the applicable practice without submission to the jury, or by judgment notwithstanding the verdict. By such direction of the trial the result is saved from the mischance of speculation over legally unfounded claims."

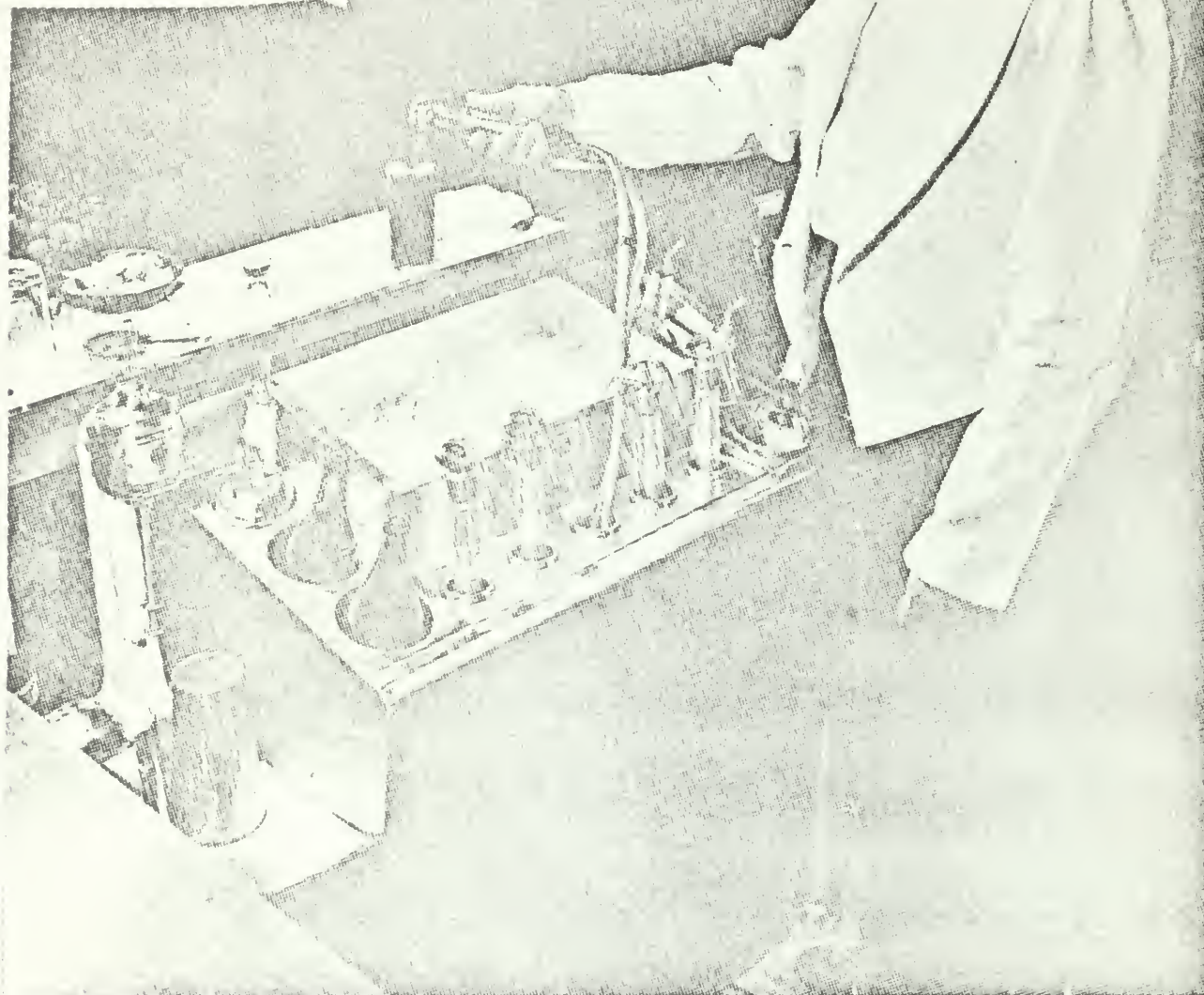
The matters which are factual matters in a patent case are (1) What was the prior art?, (2) What did Zilk do to improve upon the prior art?, and (3) What was the level of ordinary skill in the art? Graham v. John Deere, supra; Griffith Rubber Mills v. Hoffar, 313 F.2d 1, 136 USPQ 334 (9th Cir., 1963). In the present case, the facts are so clear that reasonable men could not differ on the facts, and it is unnecessary to weigh the credibility of witnesses in finding the facts. Beyond these factual matters, the ultimate test of obviousness under 35 USC §103 is a question of law, and the ultimate test of whether or not the Zilk invention measures up to the "standard of invention" is a question of law. For these reasons, the case is properly decided on

ants' right to jury trial. See Graham v. John Deere, supra, Bentley v. Sunset House Distributing Corp., supra. See also, Stallman v. Casey Bearing Company, 244 F.2d 905, 114 USPQ 36 (9th Cir., 1957), Cert denied 355 U.S. 864, where the granting of Judgment n.o.v. was affirmed; Griffith Rubber Mills v. Hoffar, supra, where the denial of the Motion for Judgment n.o.v. was held to be reversible error. cf. Walker v. General Motors, 362 F.2d 56, 159 USPQ 472 (9th Cir., 1966), where a Motion for Summary Judgment of patent invalidity was sustained in the face of the plaintiff's demand for jury trial; Monroe Auto Equipment v. Heckethorn Mfg. Co., 332 F.2d 406, 141 USPQ 549 (6th Cir., 1964) Cert. denied 379 U.S. 888, where a patent was held invalid as a matter of law after trial by the court in face of a jury demand. As Judge Hastie said in Packwood v. Briggs & Stratton Corp.¹, 195 F.2d 971, 93 USPQ 274, 275 (3rd Cir., 1952), Cert. denied 344 U.S. 844.

"This finding of invention and validity was very clearly wrong. A jury in a patent case is not free to treat invention as a concept broad enough to include whatever discovery or novelty may impress the jurors favorably. Over the years the courts of the United States, and partic-

¹. Cited with approval in Berkeley Pump Co. v. Jacuzzi Bros., Inc., 214 F.2d 785; 102 USPQ 100 (CA 9), and in Himes v. Chadwick, 199 F.2d 100; 95 USPQ 59 (CA 9).

No. 41150
Exhibit No. B
FEB - 7 1966
James P. Wilson, Clerk
By F R PENTHOREW
Deputy Clerk



**EACH UNIT IS A
COMPLETE COCKTAIL STATION**

Every WHECO unit contains a complete cocktail setup---divided ice-bin, for crushed and cubed ice, six bottle wells, and five different mixes (dry soda, water and three flavored sodas) all positioned for speedy barman action. Iced air constantly circulates throughout entire cabinet.

ing implicit in the scheme and purpose of the patent laws which aids in the construction of their general language. In this process, rules and standards have been developed for use as guides to the systematic and orderly definition and application of such a conception as invention in accordance with what the courts understand to be the true meaning of the Constitution and the patent laws. Once such standards and rules are authoritatively announced any finding of 'invention' whether by a court or a jury must be consistent with them."

The Prior Art

The principal prior art structures involved in this case are the Bar-O-Matic Magic Wand device (Exhibit F mounted on Exhibit D, hereinafter referred to as the Magic Wand) and the Wheco-Speedbar device (Exhibit B, hereinafter referred to as Wheco). These are the prior art devices on which the district judge based his Judgment n.o.v. (CT. 261, 262), and these are the prior art devices which Zilk actually had in mind at the time he conceived of his invention (RT. 53, 84 and 86).

The Wheco device, as shown in the adjacent photographic copy of Exhibit B, was a bar mix dispenser which had several hoses with a valve handle mounted on the end of each



soda water, etc.) which was to be dispensed. When a bartender used the Wheco device, he selected the hose which carried the mix he wanted and moved the valve handle on the end of the hose to a position over a beverage glass. He then operated a push lever on the handle, operating the lever with the thumb of the hand which held the handle, to dispense the bar mix from the hose into the glass. This was a "one-handed operation" for dispensing one bar mix with each hose. (RT. 53-55). At the time Zilk made the invention set forth in the patent in suit, Zilk was engaged in the bar equipment business in Portland, Oregon, and the Wheco device was sold or leased in the Portland area in competition with Zilk, and Zilk had personally observed the device prior to the making of his "invention" and more than one year prior to his application (RT. 53).

The Magic Wand, shown in the adjacent photograph of Exhibits D and F, was a bar mix dispenser which had a stationary valve block mounted on a bar and movable nozzle and handle connected to the valve block by a multi-conduit flexible hose. An electrical switch push button was mounted on the valve block for each of several bar mixes to be dispensed by the device, and the valve block contained electrically operated valves connected to one of the switches and one of the conduits in the hose for controlling the flow of each bar mix through the hose when the corresponding switch button was operated. When a bartender used the Magic Wand device, he picked up the nozzle handle with one hand, moved the nozzle to a

position over a beverage glass on the bar and then, using the other hand, pressed one of the switches to open the corresponding valve so that one beverage would flow through the hose and out of the nozzle into the glass. The bartender could then move the nozzle to a position over another glass and operate the same or a different switch button to dispense the same or a different bar mix into the second glass (RT. 64-78). The basic elements of the Magic Wand device described above were connected together by electrical circuit elements illustrated in Exhibit H which are substantially identical to the corresponding elements in the Zilk invention.

The Differences Between The Prior Art and The Claims in Issue

The differences between the Magic Wand and the Zilk invention are most apparent from a comparison of Exhibit S and the Magic Wand device. Exhibit S is one of the devices alleged to infringe the patent and hence the Zilk invention will be found in this Exhibit. The differences between Exhibit S on the one hand and Exhibits F & D on the other hand are the improvements in the art which Zilk "invented". There are no factual disputes about these differences because the physical Exhibits speak for themselves and many of the parts of the Exhibits are interchangeable.

A physical comparison of these Exhibits demonstrates that Zilk's invention consists of nothing more than moving the switch buttons on the Magic Wand from the valve block (the blue element) to the end of the flexible hose and running the electric wires for the switches along the hose. The switch

counterparts on the Magic Wand, but they are still switch buttons and electric switches with the same functions and connected together in exactly the same way as the counterparts on the Magic Wand.

Similarly, analysis of Claim 1 of the Zilk patent demonstrated that Zilk's invention consists of nothing more than moving the switch buttons on the Magic Wand to the end of the flexible hose and running the electric wires for the switches along the hose. Thus, in the text of Claim 1 reproduced below, we have underlined several groups of words. When these words are left out of the claim, the claim becomes a word picture of the Magic Wand.

"1. A dispensing apparatus comprising a dispensing head having a nozzle, a handle for said head, a remotely located valve means to selectively regulate the supply of a plurality of fluids to said head, a plurality of flexible conduits extending from said valve means to said head and communicating with said nozzle to deliver said plurality of fluids to said nozzle, electric power means for said valve means for operating said valve means to selectively supply said fluids to said head, switch means carried by said handle to control the supply of electrical energy to said power means, flexible electrical conductors extending from said power means to said switch means to enable said control

tors together in contiguous relationship to provide a single flexible member enabling said head to be moved freely relative to said valve means, said handle having a shape fitting in one hand of the operator with the nozzle located adjacent such hand, said switch means including a plurality of independently operable push buttons, each push button being operable when actuated to control operation of the valve means to cause a supply of at least one selected fluid to said nozzle through said conduits, said push buttons being grouped on said handle to provide for operation of any push button by the thumb or a finger of said one hand of the operator without changing the grip of such one hand on the handle thus freeing the other hand of the operator for other uses while permitting the selective discharge of a plurality of fluids from said nozzle."

The only structural features defined by the underlined words are the relocation of the switches and the running of the wires along the hose.

The Level of Ordinary
Skill in The Art

The District Judge postulated the level of ordinary skill in the art at "the minimum conceivable level" (CT. 264). Several factors should be considered in evaluating this "min-

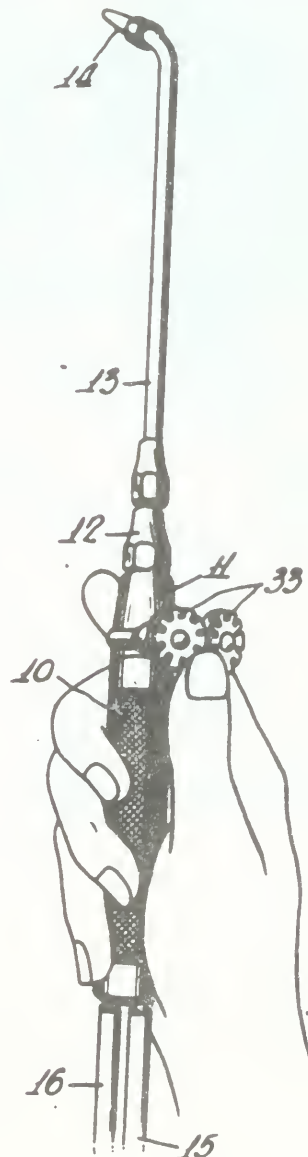
mind that we are determining only whether or not it is within the skill of the art to relocate the electrical switches on the Magic Wand from the valve block to the movable handle with a corresponding extension of the wires for those switches. There are several undisputed facts in the record which might be considered in determining this minimum conceivable level of skill.

In the first place, we might consider the rapidity with which Zilk actually conceived of the invention when he was first introduced to the Magic Wand device. Zilk conceived of the patented dispenser on July 19, 1957 (RT. 43-44), and as mentioned above, the Wheco device was sold or leased in competition with Zilk at that time, and Zilk was aware of the Wheco device at that time. This conception of the patented dispenser by Mr. Zilk occurred at the time of a meeting with a Mr. McCampbell on July 18 or 19, 1957 (RT. 86). At this meeting, Mr. McCampbell showed to Zilk literature illustrating the Magic Wand and offered to sell Magic Wand devices to Zilk (RT. 85). In this very meeting with Mr. McCampbell, when Zilk was first introduced to the Magic Wand device, Zilk told Mr. McCampbell that the Magic Wand device should be modified by relocating the push buttons on the movable head instead of the valve block (RT. 81-87).

Of course, the activities of Zilk in conceiving of the invention are not controlling in determining the level of skill in the art. However, the level of skill in the art is shown affirmatively by the wide variety of prior dispensers shown in Exhibits M and O. These prior dispensers show that

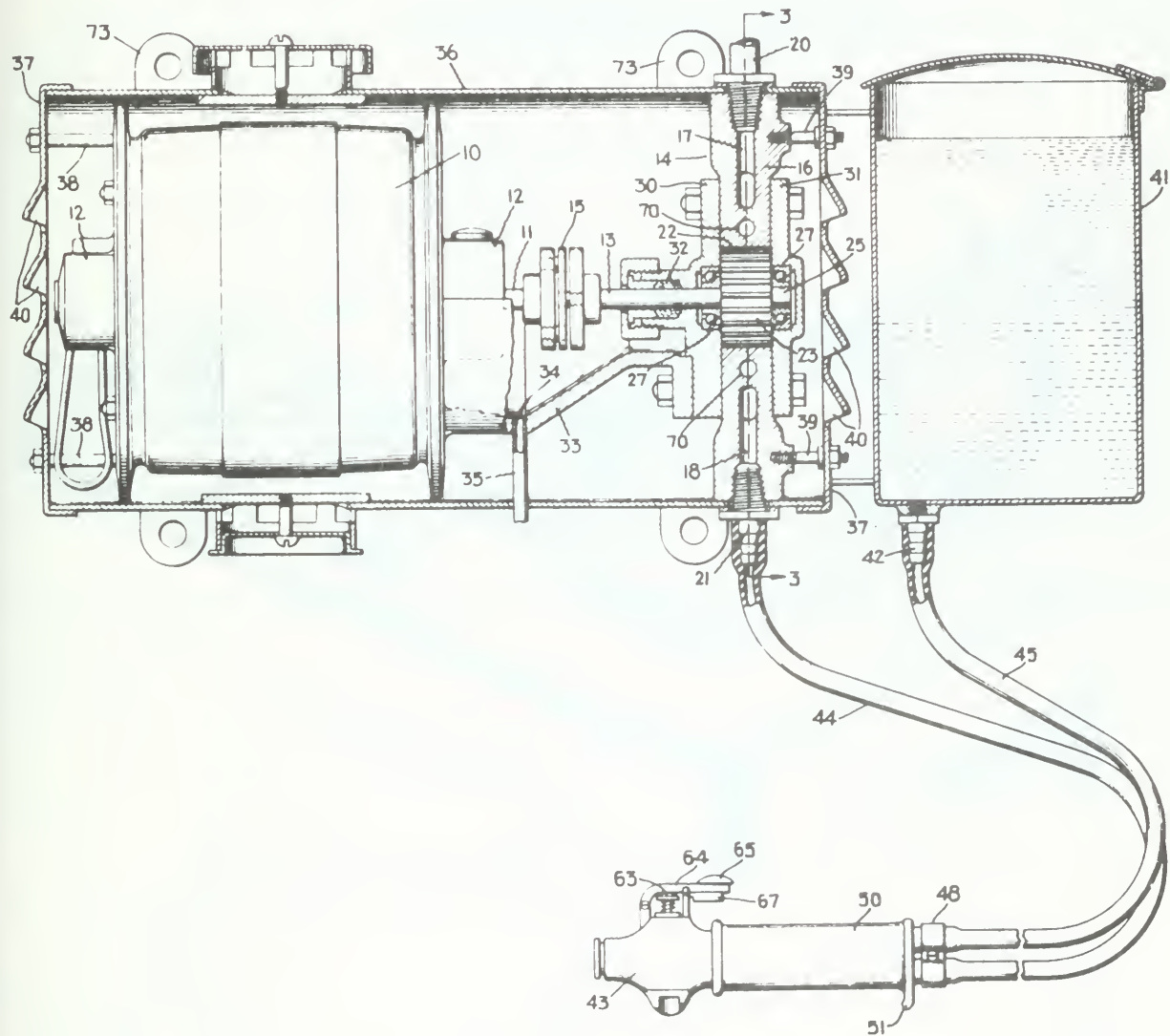
the operating buttons for dispensers on the handle of a flexible hose so that the dispenser could be operated by the thumb of the hand which held the handle. In some of these prior art devices, the operating button or lever opened a valve in the handle. The Buttner Patent, Ex. O-1, shows a torch having a handle 10 with a nozzle 14 mounted on the end of a pair of flexible hoses 15 and 16. Two rotary valves 33 are mounted on the handle for manipulation by the thumb of the hand that holds the handle to control the delivery of oxygen and acetylene through the nozzle.

Buttner Patent, Ex. O-1



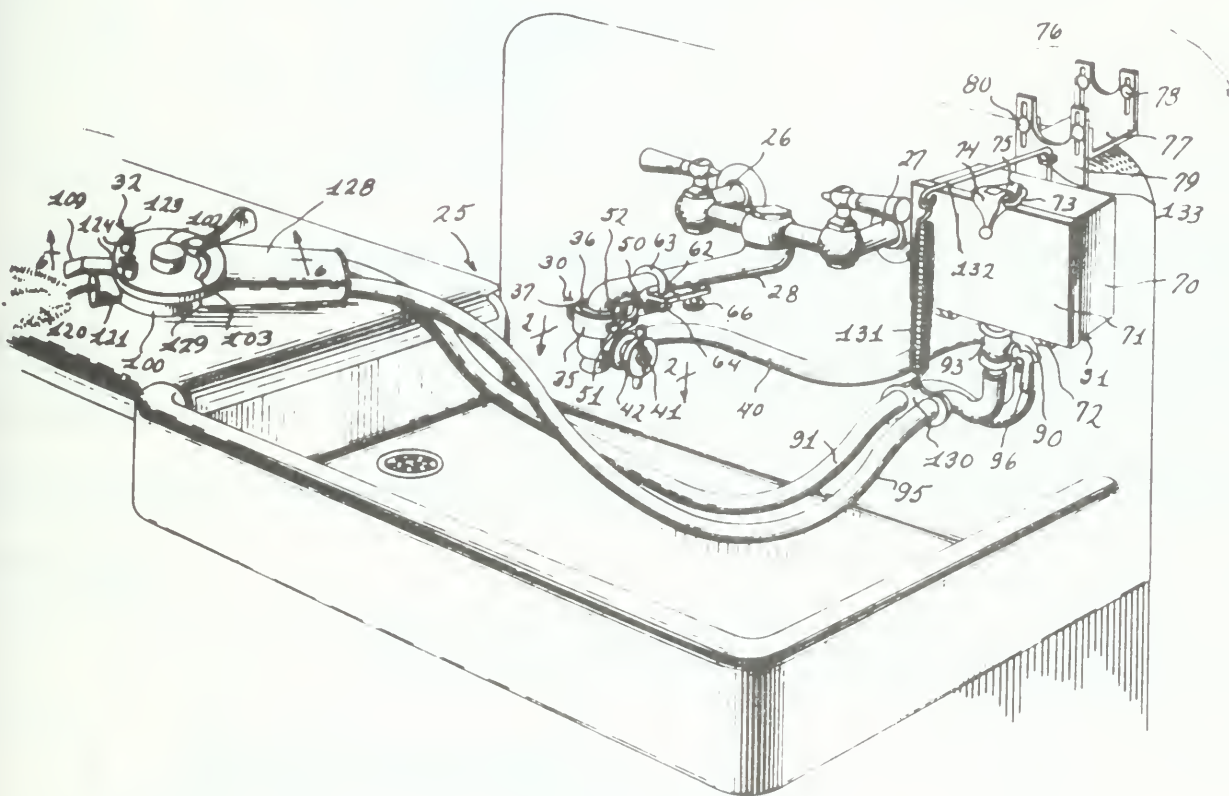
The Lingard Patent, Ex. O-3, shows a washing device having a handle 50 with a nozzle 43 mounted on the end of a pair of flexible hoses 44 and 45. A push button 65 is mounted on the handle for opening a valve 63 to control the delivery of soap and water from the nozzle.

Lingard Patent, Ex. O-3

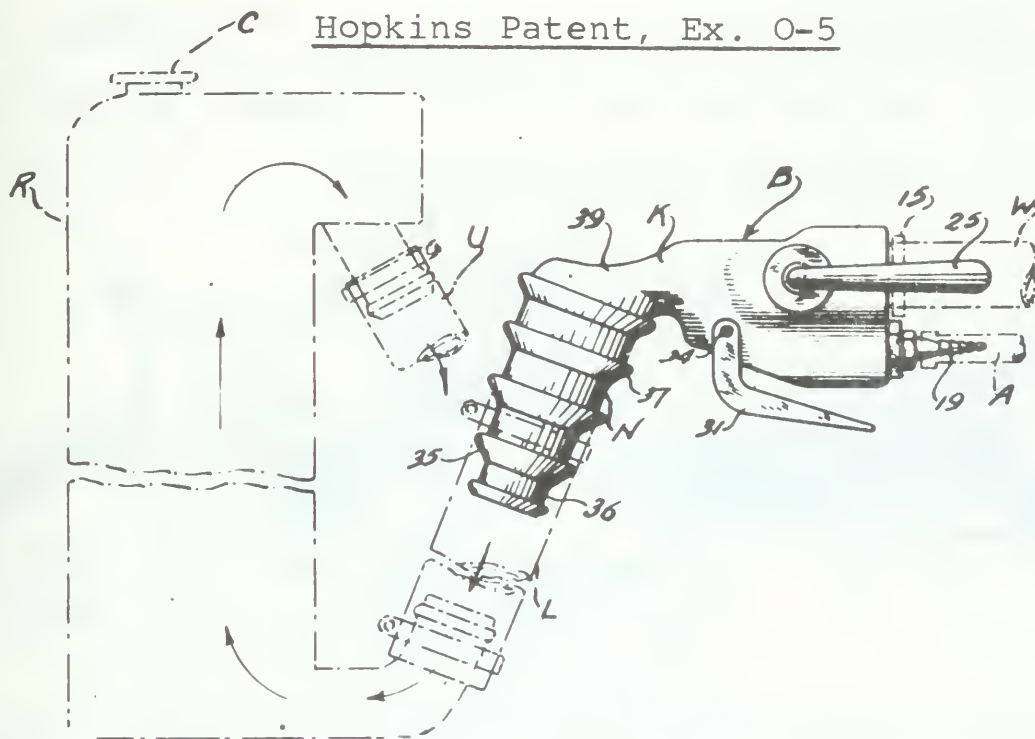


The Paddock Patent, Ex. O-4, shows another dishwasher having a handle 128 and nozzle 109 on a pair of flexible hoses 91 and 95 with a valve 103 mounted on the handle.

Paddock Patent, Ex. O-4

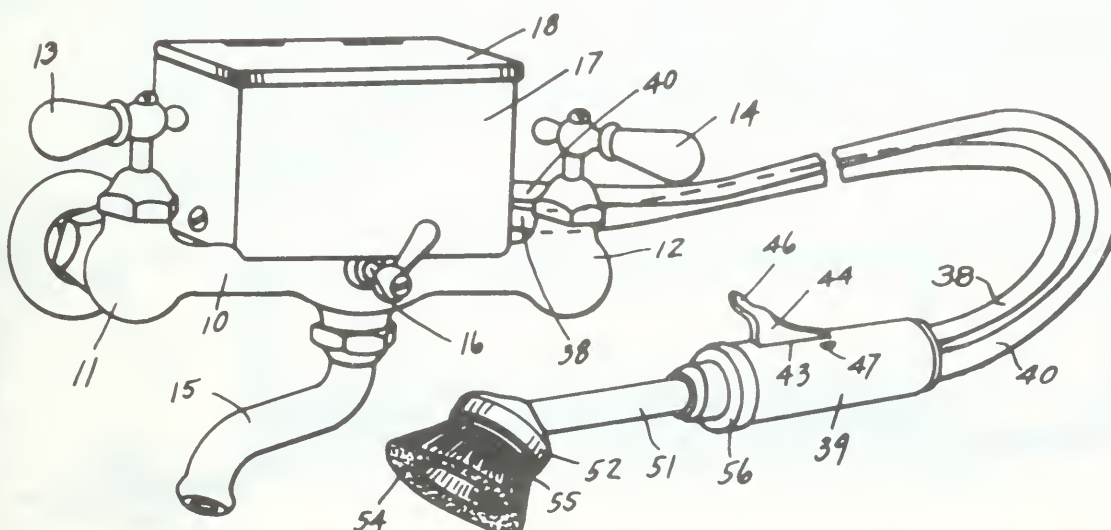


omobile radiators where the gun has a handle B with a nozzle mounted on the ends of air and water hoses A and W with a pain valve levers 25 and 31 mounted on the handle.



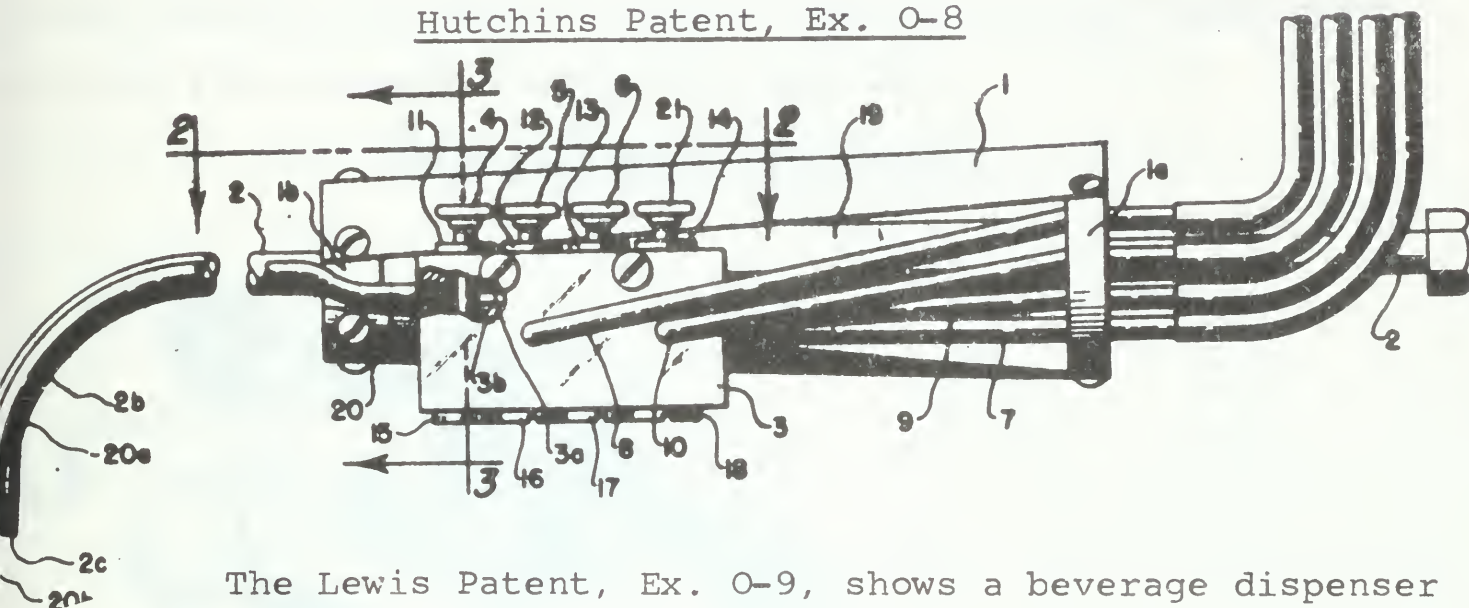
The Manville Patent, Ex. O-6, shows another dishwashing device having a handle 39 and nozzle 52 mounted on the end of a pair of hoses 38 and 40 by which water and soap flow to the nozzle. A valve lever 46 is mounted on the handle for controlling fluid flow.

Manville Patent, Ex. O-6



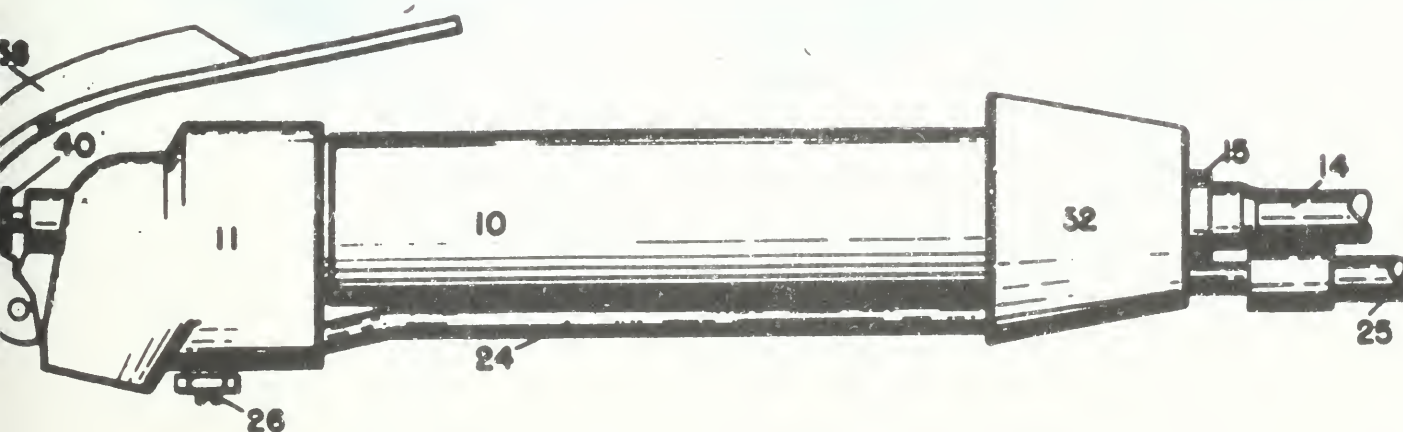
which is a device used by dry cleaners for dispensing spot removing fluids onto fabrics. The Hutchins spotting gun contains a handle 1 with a nozzle 2 mounted on the end of four hoses with four valves 4, 5, 6 and 21 mounted on the handle for controlling the flow of cleaning fluids from the device.

Hutchins Patent, Ex. O-8



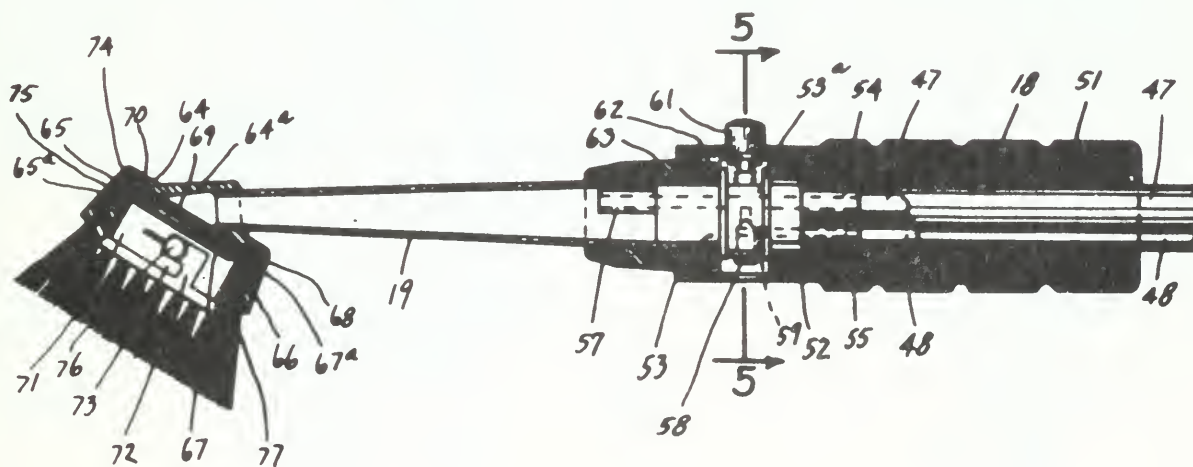
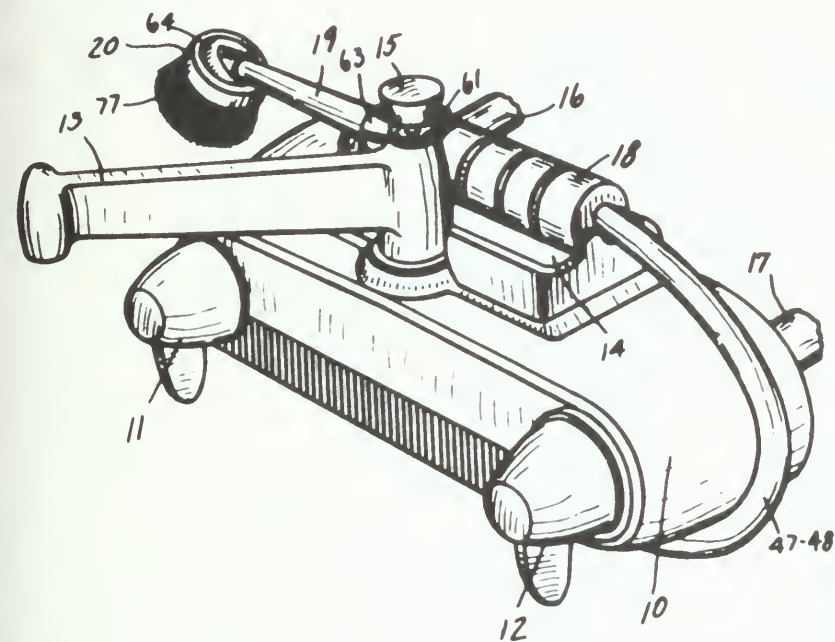
The Lewis Patent, Ex. O-9, shows a beverage dispenser which is apparently the same as the Wheco or Speed Bar device shown in Ex. B. This dispenser has a handle 10 with a nozzle mounted on the ends of a pair of flexible hoses 14 and 25. A valve operating lever 38 is mounted on the handle where it can be operated by the thumb of the hand which holds the handle so that a carbonated beverage is dispensed from the nozzle when the lever is operated.

Lewis Patent, Ex. O-9



Manville Patent, Ex. O-10, shows another dishwasher with a handle 18 and nozzle 64 mounted on a double hose 47-48. Valve 15 at the stationary end of the hoses controls the flow of water through the hose 47, and a valve 61 on the handle controls the flow of soap through the hose 48.

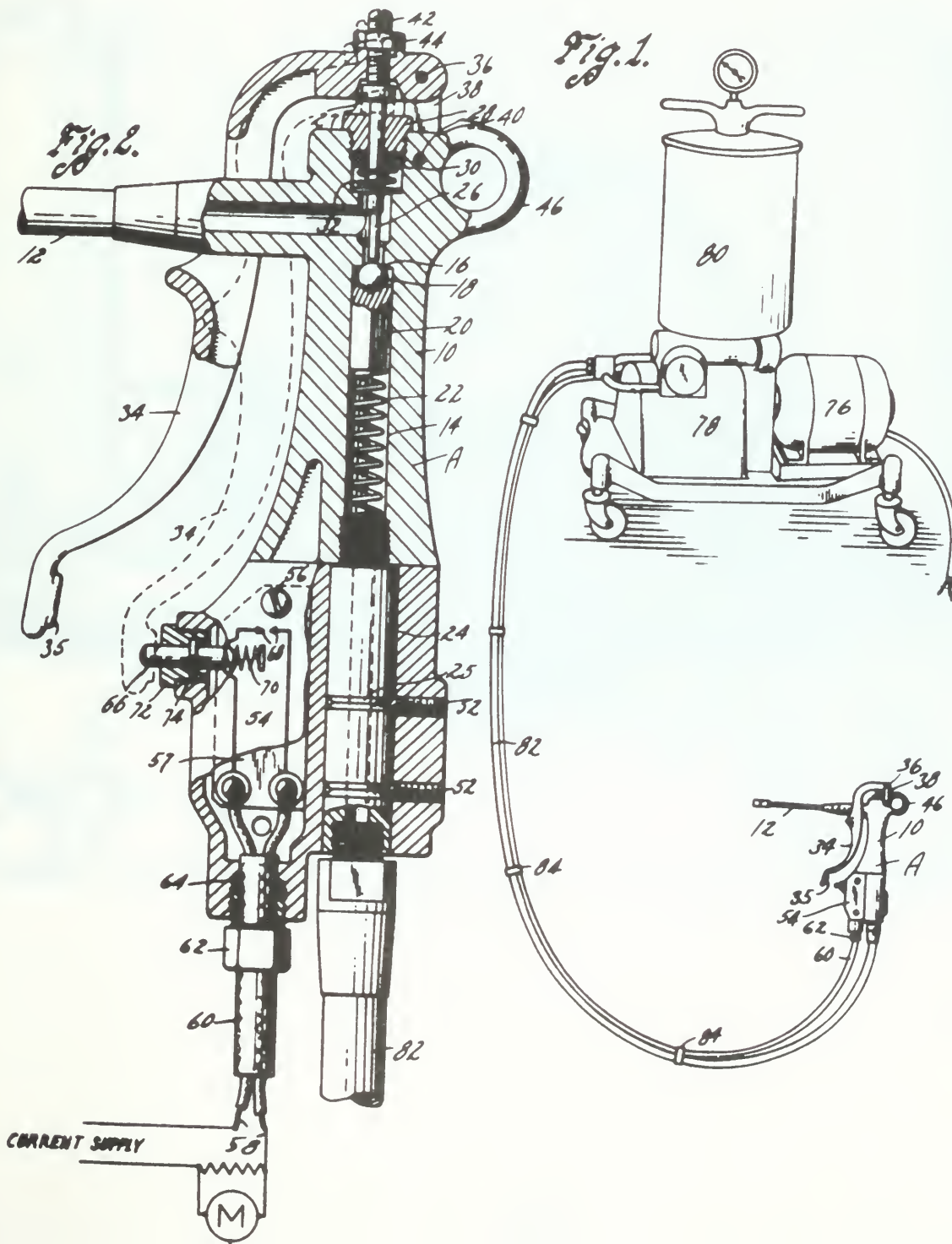
Manville Patent, Ex. O-10



The prior art illustrated above shows that it was obvious in 1957 to one skilled in the dispenser art to mount valve buttons on flexible wand devices. If these patents constituted the only prior art, Zilk might be able to argue that there was some inventive distinction in relocating electrical valve switches instead of the valves themselves because these references don't teach how to handle electricity. However, the prior art shown below teaches that the relocation of electric switches onto the wand of the dispenser is old in the art.

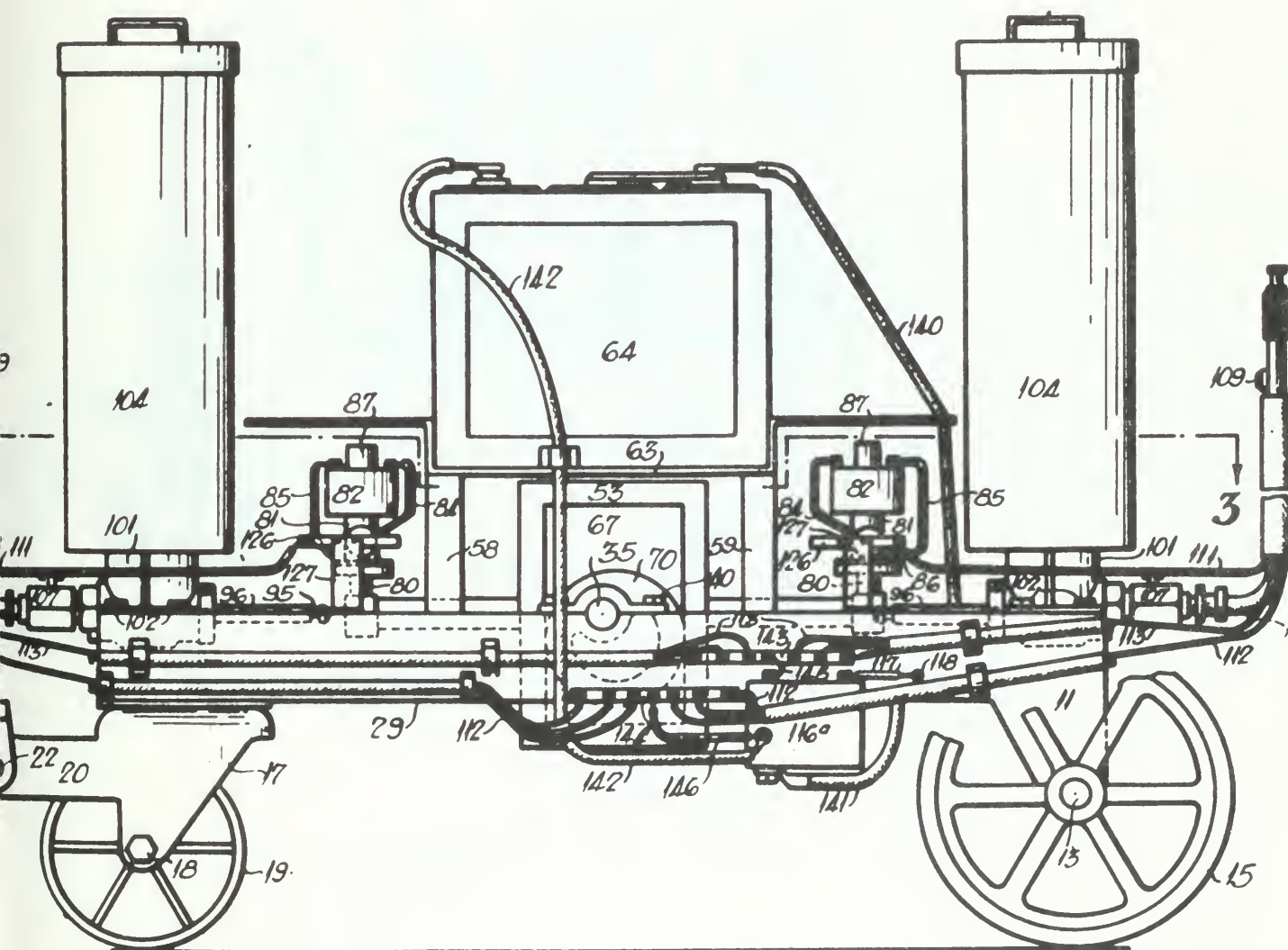
a handle A and nozzle 12 mounted on the end of a flexible hose 82. An operating lever 34 is mounted on the handle, and an electric switch 66 is mounted under the lever in position to be closed when the lever is operated. The switch is connected by wires 60 to control a motor, and several clamps 84 hold the wires 60 and the hose 82 together.

Carter Patent, Ex. O-2



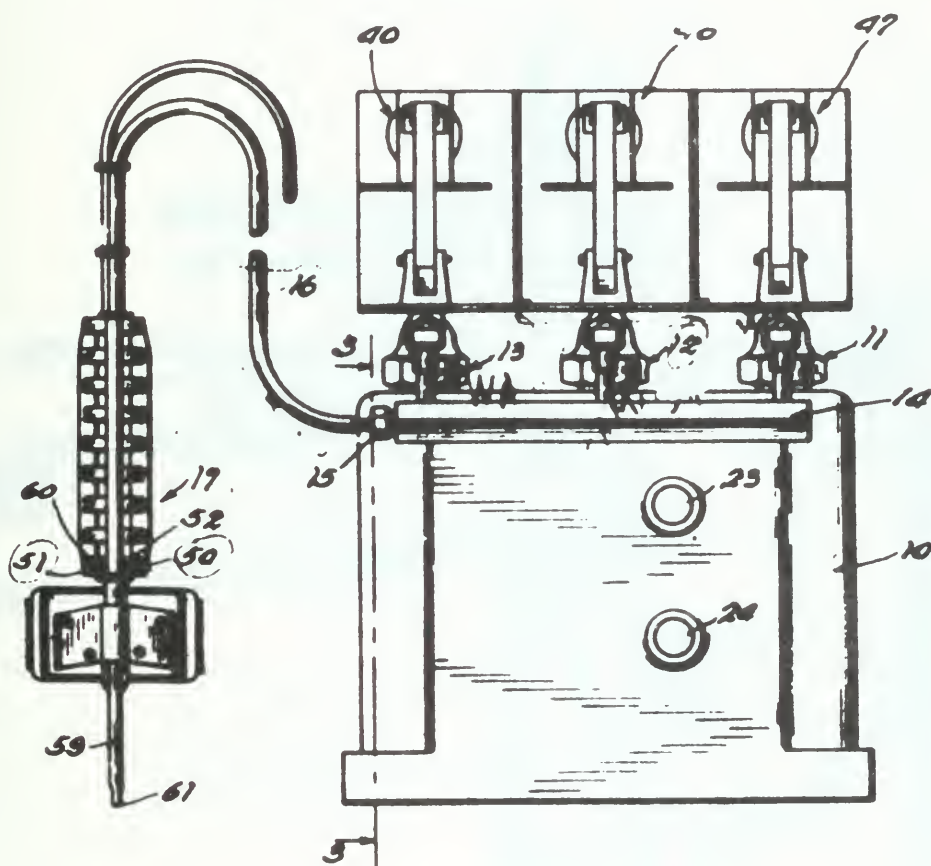
The Brown Patent, Ex. M, shows another lubrication device having several handles and nozzles 110, etc. mounted on flexible hoses with electric switches 109 mounted on the handles and the electric wires for the switches are bound to the hoses by flexible covers.

Brown Patent, Ex. M



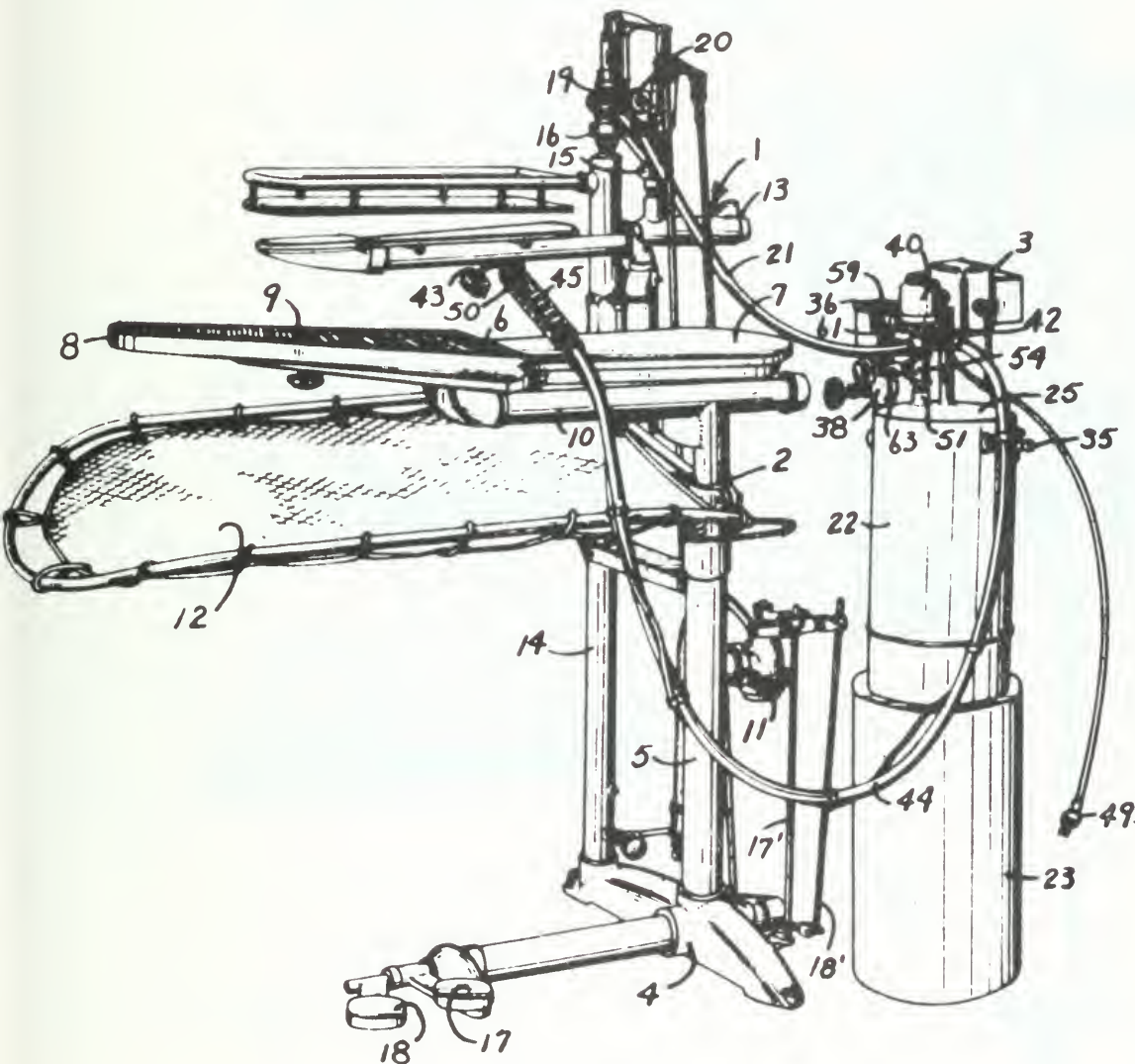
Miller, Ex. O-7, shows an electrically operated spot-
ting gun with a handle 17 and nozzle 61 mounted on a hose 16
with two electrical switches 50 and 51 mounted on the handle where
they can be operated by the thumb of the hand which holds the
handle. The switches are connected by wires to solenoid valves
in the same way that the switches and wires are connected in the
Zilk device.

Miller Patent, Ex. O-7



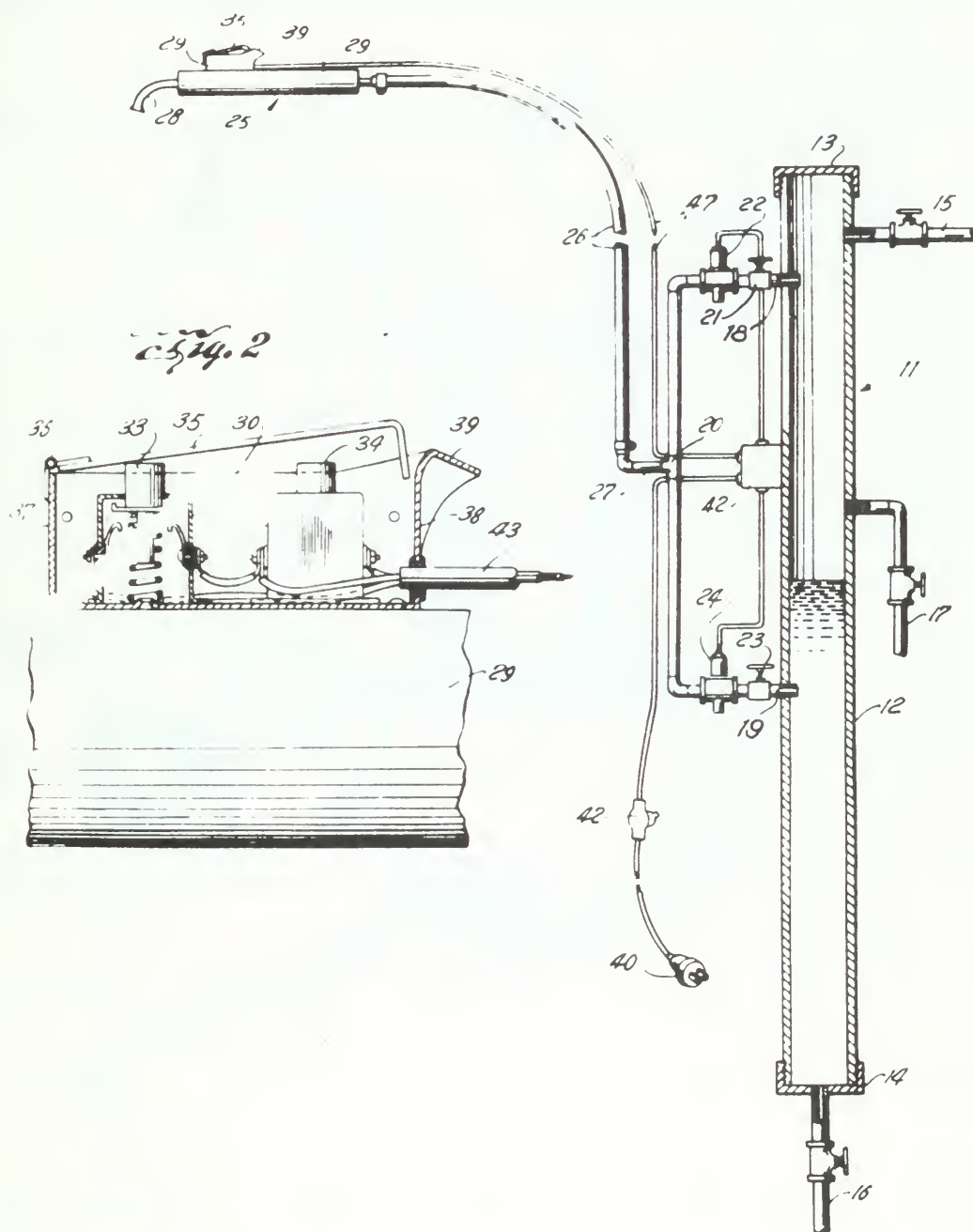
Butterbaugh, Ex. O-11, shows still another spotting gun with a handle 45, nozzle 43, hose 44, and electric switch 50. The wires for the switch extend along the hose and are attached hereto by clips. The switches on the handle provide a one-handed operation so that the operator's other hand is free to manipulate the fabrics.

Butterbaugh Patent, Ex. O-11



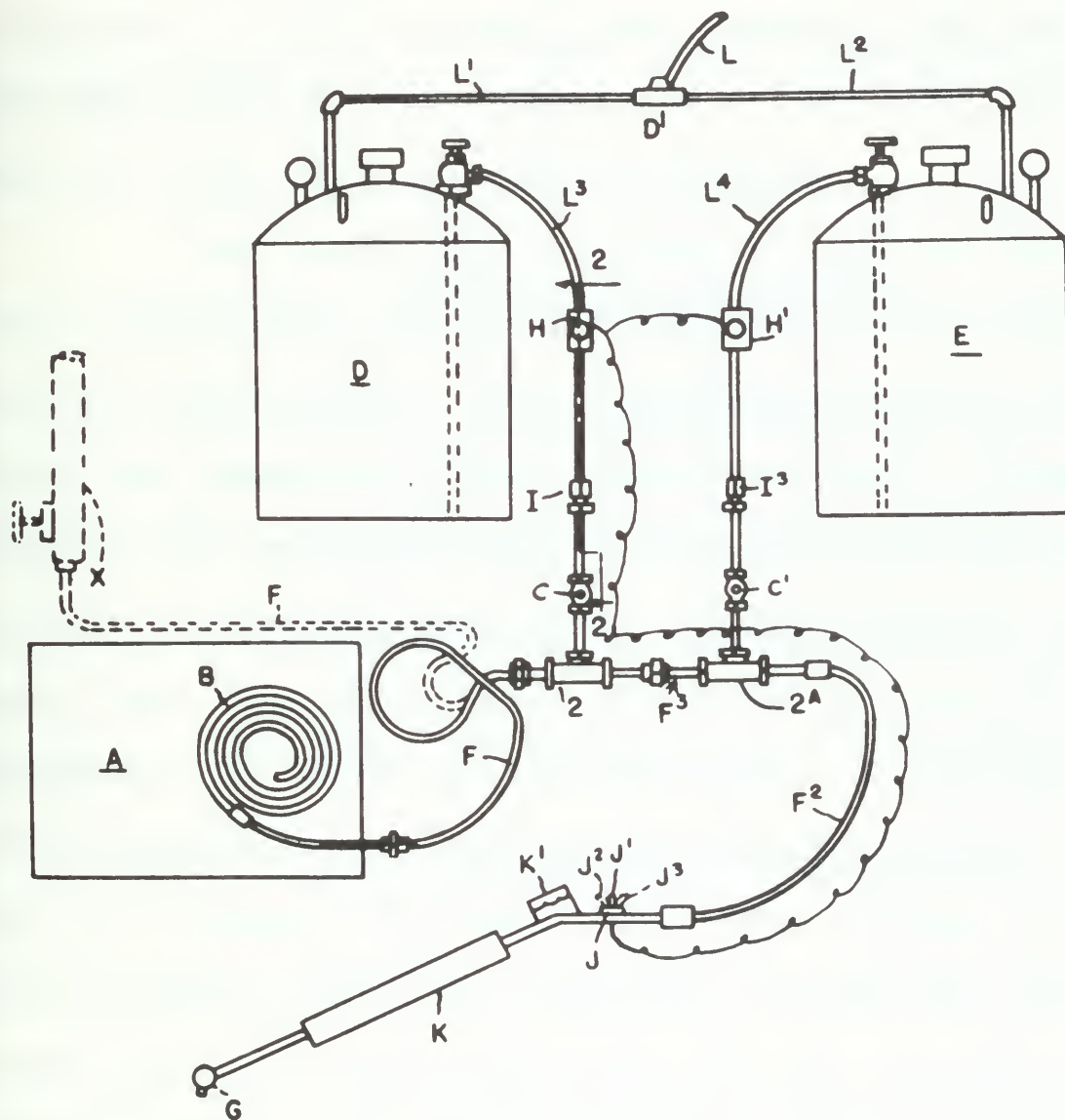
Walker, Ex. O-12, shows another spotting gun with a handle 25, nozzle 28, hose 26, electric wires and solenoid valves 22 and 24. An operating lever 35 on the handle operates two electric switches 33 and 34, as shown in Fig. 2.

Walker Patent, Ex. O-12



The Neilson Patent, Ex. O-13, shows a dispenser having a handle K and nozzle G mounted on a hose F. An electric switch J is mounted on the handle and connected by wires to solenoid valves H. The valves control the delivery of chemicals for treating surfaces prior to painting.

Neilson Patent, Ex. O-13



shown above are unimportant. What is important is the general teaching of the prior art as a whole. The prior art as a whole teaches that valve buttons and valve switches may be mounted on the handles of wand type dispensers to make the dispensers easier to use. This wide variety of devices with valves and switches mounted at the movable end of the hose shows beyond any possible doubt that it was within the skill of the art in 1957 to mount the operating push buttons of the Magic Wand on the movable end of the hose, and reasonable men on a jury could not find otherwise.

Appellants have pointed to only one fact in arguing that a reasonable jury could find the level of skill in the art at a lower level. Thus, Appellants point to Exhibit I which is a magazine article showing an early Barmaster device (Exhibit D) specially adapted with foot operated switches in place of the switch buttons on the valve block. Appellants argue that this publication shows that it was not obvious to Barmaster, the maker of the Magic Wand, to provide a one-handed operation by mounting the switch buttons on the movable end of the Magic Wand hose. There are several fallacies in this argument since, for instance, it does not appear in the record that the Magic Wand hose was even in existence to be improved upon at the time the device shown in Exhibit I was made. The Exhibit I device was apparently made prior to the March, 1957 date of Exhibit I, and the record does not indicate that the Magic Wand device was even in existence for any substantial period prior to July of 1957 when it was

been in existence at the time the Exhibit I device was made, the use of foot switches in Exhibit I instead of the mounting of push buttons on the handle of the Magic Wand provides substantially no inference of unobviousness because it appears from the face of Exhibit I that that structure was a special purpose installation. What the Exhibit I device does show is the fact that it was obvious prior to Zilk's invention to relocate the switches on Exhibit D to a different place where such relocation was beneficial.

The Section 103 Ground For The Judgment

As indicated in the preceding sections of this brief, the factual matters considered in the application of 103 are either undisputed or so clear that reasonable men could not differ on them. The prior art Wheco and Magic Wand devices are shown in the Exhibits and easily understood. A comparison of these devices with Claim 1 of the patent shows the difference between the invention and the prior art; Zilk relocated the Magic Wand switches from their position on the rear mounted valve block to a position on the handle at the end of the hose. When postulated at "the minimum conceivable level", the level of skill in the dispensing art is such that it was conventional prior to 1957 to mount the operating switch or valve buttons for dispensers at the movable end of a flexible hose.

unpatentable as a matter of law for failure to meet the obviousness test of §103. As the District Court said, "Even if the ordinary skill possessed by persons engaged in the bar dispensing field were postulated at the minimum conceivable level, Zilk's dispensing device would clearly have suggested itself as a possible solution to a person possessing such skill who was given the 'Wheco' and 'Magic Wand' device and told to alter it in such a way as to provide for one-handed dispensing of a plurality of fluids." (CT. 264) It is submitted that this is true as a matter of law whether or not the men skilled in the art were told to alter the prior art devices to provide a one-handed operation. Zilk did not invent a one-handed operation: the Wheco device, as a competitive structure, had taught him this feature. (RT. 55) Zilk merely realized, as a businessman, that it would be necessary to modify the Magic Wand device to provide for a one-handed operation if the device were to be competitive with the existing Wheco device.

The "Standard of Invention"
Ground for The Judgment

As indicated in the Statement of the Case in this brief, the District Judge granted the Motion for Judgment *ex parte* on a second ground which was "entirely separate from the Section 103 issue" (CT. 265). This second ground, which was not submitted to the jury, (CT. 266), is based on the court's holding that the Zilk invention does not obtain any unusual or surprising consequences" which are required before

This is the standard of invention for combination patents announced in A & P Tea Co. v. Supermarket, supra. This test of "unusual or surprising consequences" is to be applied in addition to the test of §103. See Santa Anita Mfg. Corp. v. Lugash et al, -- F.2d., --, 152 USPQ 44 (9th Cir., Dec. 6, 1966), where the Court said:

"In Bentley v. Sunset House Dist. Co., 359 F.2d 140, 144, 149 USPQ 152, 155 (9th Cir. 1966), we said:

'In assessing the patentability of combination patents, we are to apply a 'severe test', whether 'the whole in some way exceeds the sum of its parts' to produce 'unusual or surprising consequences from the unification of the elements * * *,' Great A & P Tea Co. v. Supermarket Equipment Co., 1950, 340 U.S. 147, at 152, 71 S.Ct. 127, at 130, 95 L.Ed 162, 87 USPQ 303, 305-306.'

"It is apparent from the record and findings that the trial court tested patentability by the requirements of 35 USC §103, the test of obviousness. (E.g., Findings of Fact Nos. 18, 25, and 28, C.T. 666-69). Unquestionably these statutory requirements are prerequisite to the issuance of any patent. Graham v. John Deere Co., 383 U.S. 1, 148 USPQ 459 (1966). But in the special case of combination patents, the 'severe test' referred to in Bentley v. Sunset House Dist. Co.,

before a combination patent can be recog-
nized. Zero Mfg. Co., Inc. v. Mississippi
Milk Producers Ass'n, 358 F.2d 853, 149
USPQ 70 (5th Cir. 1966); Jeddeloh Bros.
Sweed Mills, Inc. v. Coe Mfg. Co., (9th
Cir.) 151 USPQ 679. The record in only one
place reflects the application of this test
to the patent in issue, which is admittedly
a combination of old ideas. (Appellees' Brf.
p. 51).

"Finding of Fact No. 8 is the only refer-
ence to a new function of the Lugash '227
loader. It is obvious from the authorities
cited above that the test of a new function
must be met or the patent is invalid. There-
fore, in this case, logic dictates that if
Finding of Fact No. 8 was clearly erroneous,
then the judgment must be reversed. We be-
lieve we are required to hold that Finding
of Fact No. 8 was clearly erroneous." (152
USPQ at 46, with emphasis added)

As the District Court noted at CT. 262, the Zilk
device is a combination of "old" elements. The District
Court found that this device did not produce any unusual or
surprising consequences, and there is no evidence of any
kind in the record from which the jury could have found other-
wise, and for this reason, the Judgment n.o.v. was properly

the severe test of the A & P case. In this regard, it has long since been the law that mere relocation of an element of an old combination does not amount to patentable invention under the A & P Rule. See Photochart et al v. Photo Patrol, Inc., 180 F.2d 625, 90 USPQ 46 (9th Cir., 1951) Cert. denied 342 U.S. 867, where this Court said:

"The test to be applied to such patents is that the combination must perform some new or different function -- one that has unusual or surprising consequences (citing the A & P case). It is our view that the patent in suit fails to meet this severe test and does not constitute invention. The most that can be said for the patent in suit is that it rearranges the elements of the slit camera in such a manner that in the performance of the respective functions a higher degree of accuracy is attained. But perfection of workmanship, however useful or convenient, does not constitute invention." (90 USPQ at 48)

APPELLEE'S MOTION FOR NEW TRIAL

In accordance with the provisions of F.R.C.P. Rule 50(c) quoted above, Appellee urges error in the District Court's failure to grant the Motion for New Trial. Rule 50

the failure to rule can be construed as a denial of the Motion
it is requested that this Court either grant the Motion for
New Trial or remand the case for determination of the Motion
for New Trial in the event that the Judgment n.o.v. is vacated.
The Motion for New Trial should have been granted because the
jury was not instructed on the A & P Tea Co. test.

CONCLUSION

For the above reasons, it is respectfully submitted
that the Judgment n.o.v. should be affirmed because (1) No
reasonable jury could have concluded that the Zilk invention
met the unobviousness requirement of 35 USC §103, and (2) The
Zilk patent is invalid as a matter of law for failure to meet
the requirement of unusual and surprising consequences set
forth in A & P Tea Company v. Supermarket.

In the event that the Judgment n.o.v. were vacated,
the case should be remanded for new trial or for a ruling by
the District Judge on Appellee's Motion for New Trial, and for
ruling by the District Court on the misuse defenses.

Dated, San Francisco, California,
February 6, 1967.

Respectfully submitted,

JAS. M. NAYLOR,

KARL A. LIMBACH,

Attorneys for Appellee

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY
530 CHICAGO HALL
CHICAGO, ILL. 60637
U.S.A.

PROFESSOR J. H. GOLDSTEIN
DEPARTMENT OF CHEMISTRY
UNIVERSITY OF CHICAGO
530 CHICAGO HALL
CHICAGO, ILL. 60637
U.S.A.